

Because you are a former customer of Horizon Power & Light, we are enclosing a check representing your share of a \$500,000 settlement of a Delaware Public Service Commission Staff complaint challenging various Horizon business practices.

Pursuant to the terms of the settlement as approved by the Delaware Public Service Commission, the Public Advocate and the Commission Staff have joint and exclusive discretion to determine the manner in which the settlement proceeds will be distributed. The Commission Staff and the Public Advocate have determined to use the following method of distribution:

- Customers and their accounts will be determined from information provided by Horizon.
- All Horizon customers will receive at least \$50.00 for each account the customer had with Horizon to compensate for non-financial violations.
- Additional amounts will be distributed to Horizon customers based on the length of time they were Horizon customers after May 31, 2008. The amount of the additional distribution will depend on the balance remaining after each account has been allocated its \$50.00 distribution.

**The Public Advocate and the Commission Staff emphasize that that the distribution is not intended to be a full refund of all monies that customers paid to Horizon, but instead is as close an approximation as they can determine, based on the information available to them from Horizon, of the difference between what the customer would have paid per kilo-Watt-hour (KWh) as a Delmarva Standard Offer Service customer after May 31, 2008 and the rate per kWh that the customer paid as a Horizon after May 31, 2008.**

Certain information that might have supported a different method and manner of distribution was not available; hence, the proposed distribution method represents what the Commission Staff and Public Advocate have concluded is the fairest and most equitable process under the circumstances.

We trust you will recognize that the settlement is the result of the Commission Staff's and the Public Advocate's extensive investigation and that companies doing business in Delaware must act fairly and in accordance with the law. If you have any questions, please visit the Commission's website <http://depssc.delaware.gov/default.shtml> or call the Commission at (302) 736-7500 or the Public Advocate at (302) 577-5080).

Janis Dillard, Acting Executive Director Public Service Commission  
G. Arthur Padmore, Public Advocate of the State of Delaware